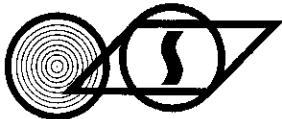


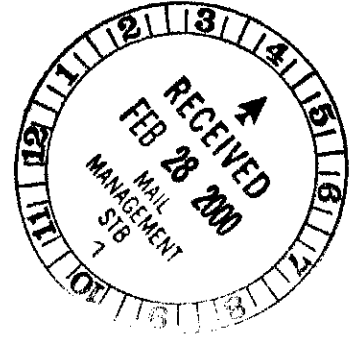


SUN STUDS, INC.



SUN VENEER DIV.

GENERAL OFFICES: PHONE 541-673-0141 • FAX 541-440-2516  
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February 21, 2000

Surface Transportation Board  
Attn: STB Ex Parte #582  
1925 K Street NW  
Washington, DC 20423-0001

I will be unable to appear for oral testimony on March 8, but I would like to express here in writing my concerns about the proposed merger of the Burlington Northern Sante Fe and the Canadian National railroads.

Sun Studs, Inc. is a community-based, family-owned lumber manufacturer employing approximately 300 people. We have been in business for 50 years and constitute a major part of the economic base of the rural community in which we are located.

At one time rail service and pricing were such that we served a national market, providing home building lumber to all parts of the country. Once served by main line railroads that could take our product anywhere at competitive prices, we are now on a short line connected to a main line that does not allow us to ship to many parts of the country competitively. We are now largely restricted to the western region of the country and to distances that are often served as well or better by truck.

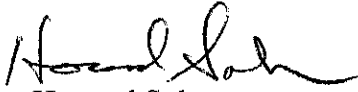
We have two principle concerns about the proposed merger. The first is that mergers of this magnitude, particularly when replicated throughout an industry, as is likely in this case, reduce both price and service competitiveness. This merger would constitute a major step toward excessively concentrated market control and lack of competition.

Our second major concern is that this particular merger would favor Canadian lumber producers over domestic producers. Canadian lumber manufacturers already have a large cost advantage because the Canadian government makes available a substantial timber supply at low cost. Canada can already afford higher transportation costs because of their lower raw material cost. For example, we market Douglas-Fir veneer locally via short truck hauls, yet Canada can under price us on this product despite nearly 1000 miles of shipping distance. Additional shipping advantages for Canadian manufacturers will put us at yet another competitive disadvantage.

As a matter of good public policy, the United States needs functioning, competitive railroads that serve all parts of the country. We cannot continue to move commercial transportation from the rails to the highways. In fact, we should be moving in the other direction. We must not allow rail service to continue to shrink as large merged railroads reduce the overall service area and diminish multiple railroad competition.

We urge you to put the brakes on the continuing erosion of competition in the railroad industry.

Sincerely,

A handwritten signature in black ink, appearing to read "Howard Sohn". The signature is fluid and cursive, with a long horizontal stroke at the end.

Howard Sohn  
President